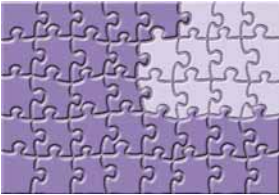


PEOPLE COMING TOGETHER

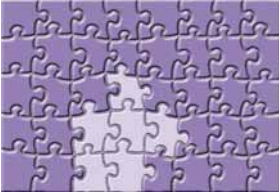


ENTERPRISE FUNDS

THESE FUNDS CONSIST OF UTILITIES, RECREATIONAL FACILITIES AND CONTRACTUAL POLICE SERVICES primarily supported by user fees. Operating expenses do not include debt service expenses, capital outlay or transfers to other funds.

		2005 EXPENDITURES	2006 BUDGET	AVERAGE FEE PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$4,437,771	\$4,060,077	\$1.15*
PUBLIC SAFETY	CONTRACTUAL POLICE	819,307	569,495	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	715,241	789,635	2.06**
	STORM WATER UTILITY	2,256,139	1,990,652	4.24
	WASTE WATER UTILITY	8,342,950	8,345,037	11.23
	WATER UTILITY	8,865,500	9,197,594	16.65***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	494,474	531,026	--

- * Amount is included in the \$8.56 that the property owner of a median-valued home pays for Community Services per month.
- ** Residents receive a 63 cent recycling credit per month from a county grant.
- *** Based on 7,500 gallons per month.



INTERNAL SERVICE FUNDS

THESE FUNDS FINANCE INTERDEPARTMENTAL GOODS AND SERVICES ON A COST-REIMBURSEMENT basis from a variety of end-user funds. Internal Service Funds are supported by user fees already included as expenses to other funds in this report. Operating expenses do not include debt service, capital outlay or transfers to other funds.

	2005 EXPENDITURES	2006 BUDGET
EQUIPMENT POOL	\$4,311,114	\$2,994,528
FACILITIES REPLACEMENT	3,638,435	2,892,474
INFORMATION SYSTEMS	2,504,488	2,918,097
INSURED BENEFITS	5,605,390	6,678,590
PUBLIC SAFETY RADIO	1,525,674	229,504
SELF-INSURANCE	**	**
SUPPORT SERVICES	604,526	574,732

- ** Working capital goals/insurance reserves established and maintained.

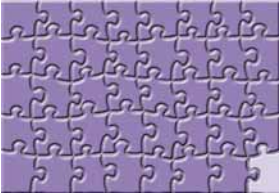


SPECIAL REVENUE FUNDS

THESE FUNDS ACCOUNT FOR REVENUES USED FOR SPECIFIC PURPOSES INCLUDING HOUSING AND community development, communications, public health initiatives and law enforcement activities.

		2005 EXPENDITURES	2006 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	AIRPORT SOUTH ENVIRONMENT REVIEW	\$36,874	\$300,000	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	897,429	867,448	Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	743,022	622,219	Funded by state grants
PUBLIC SAFETY	PENSION RESIDUAL ASSET FUND	3,911,267	1,769,426	One-time reimbursement*/property taxes**
	POLICE SPECIAL REVENUE	1,417,183	269,800	Forfeited assets and grants

- * Used for specific police capital and operating expenses.
- ** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy would be the funding source.



STRATEGIC PRIORITIES FUND

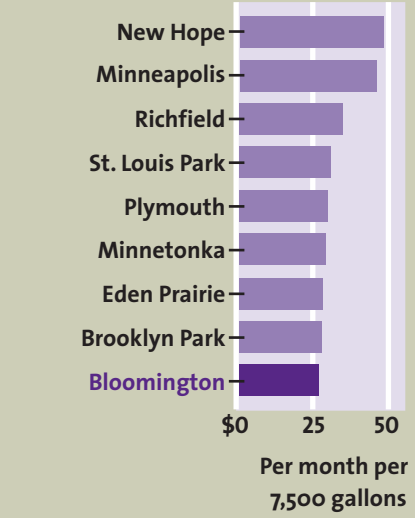
THIS FUND IS USED FOR CITY COUNCIL PRIORITIES THAT INCLUDE COMMUNITY RENEWAL AND enhancement projects.

	2005 EXPENDITURES	2006 BUDGET	NET PROPERTY TAX PER MONTH
	\$181,720	\$2,216,508	\$2.33

2006 RESIDENTIAL WATER AND SEWER RATE SURVEY

MONTHLY COSTS TO RESIDENTS IN NINE cities for water and sewer service in 2006 range from \$27.59 per 7,500 gallons in Bloomington to \$49.52 in New Hope. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.8 gallons – another example of how the City's quality services are a good value for your dollar.



IT JUST TASTES BETTER MORE PEOPLE CHOOSE CITY WATER OVER BOTTLED

IN A BLIND TASTE TEST HELD AT THE science fair at Ridgeview Elementary School in February, City of Bloomington water was compared glass-to-glass with bottled spring water. Eighty percent of participants selected City water as having a better taste. Comments included, “It just tastes better and is fresher than bottled water,” and “There’s not a better water in the state.” Twelve percent of participants chose bottled water and six percent liked both waters equally.

A cost comparison shows the value of Bloomington’s water. One gallon of bottled spring water costs approximately 89 cents, the same as 472 gallons of City water. Bloomington citizens are indeed receiving quality water at a bargain price.

Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that “a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees.” For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager - \$130,000; Charles Honchell, Public Works Director - \$125,834; and Larry Lee, Director of Community Development - \$125,834.